

Article - Education

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§24–519.

(a) Any resolution or trust agreement the Commission adopts or enters into under this subtitle may contain provisions that:

(1) Pledge, assign, or direct the use, investment, or disposition of all or a portion of the receipts of the Commission or all or a portion of the proceeds or benefits of any contract and convey or otherwise secure any property or property rights;

(2) Set aside loan funding deposits, debt service reserves, capitalized interest accounts, cost of issuance accounts, sinking funds, and other funds and accounts, and regulate, invest, and dispose of these deposits, reserves, accounts, and funds;

(3) Limit the purpose to which or the investments in which the proceeds of sale of any issue of bonds may be applied and restrict the investment of revenues or bond proceeds as deemed necessary, which may include limiting investments to government obligations for which principal and interest are unconditionally guaranteed by the United States;

(4) Limit the issuance of additional bonds and specify the terms on which additional bonds may be issued, secured, and rank on parity with, or be subordinate or superior to, other bonds;

(5) Refund or refinance outstanding bonds;

(6) Establish any procedure concerning the manner in which the terms of any contract with bondholders may be altered or amended, the amount of bonds to which the holders must consent, and the manner in which the holders must consent;

(7) Define the acts or omissions that constitute a default in the duties of the Commission to holders of bonds and provide the rights and remedies of the holders in the event of a default, which may include provisions that restrict individual right of action by bondholders;

(8) Provide for guarantees, pledges of property, purchases or sales of property, leasing, leasing back or subleasing of property, the assignment of any

pledges, purchase, sale, lease or sublease agreements, letters of credit or other security, or insurance for the benefit of bondholders; and

(9) Provide for any other matter relating to the bonds that the Commission deems appropriate.

(b) Any provisions under subsection (a) of this section that the Commission includes in a resolution or trust agreement may be made part of the contract with the holders of the bonds.

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